

## **MEETING #32 June 16**

At a Public Hearing on the Budget of the Madison County Board of Supervisors held on June 15, 2008 at 6:30 p.m. in the in the Madison County Administrative Center Auditorium:

PRESENT: Eddie Dean, Chairman  
James L. Arrington, Vice-Chairman  
William L. Crigler, Member  
Bob Miller, Member  
Clark Powers, Member  
V. R. Shackelford, III, County Attorney  
Lisa R. Kelley, County Administrator  
Teresa Miller, Finance Director

Chairman, Eddie Dean called the meeting to order and noted the presence of a quorum.

Chairman, Eddie Dean stated the Board will need to discuss some “housekeeping issues” before initiating the Public Hearing.

Chairman, Eddie Dean advised that as cited in the Code of Virginia, there will be no action (vote) taken at tonight’s meeting on the 2008-2009 County Budget of the Tax Levy Rates that are in the next phase of tonight’s Public Hearing, as the Code of Virginia requires there be seven (7) days between the Public Hearing and votes on the Tax Levy Rate.

Chairman, Eddie Dean stated there will be a discussion at about 7:30 p.m. on the advertised Tax Levy Rates.

Chairman, Eddie Dean advised the desire to proceed with an open and positive meeting and asked that all comments be held to three (3) minutes; additional time will be allowed for those in attendance who wish to provide a second comment with new informational ideas.

Chairman, Eddie Dean stated the advertisements on the 2008-2009 Budget have brought forth various comments about days of the week and dates; however, the information that was forwarded to the Madison Eagle was correct and the Madison County Board of Supervisors has no input as to what is printed in the advertisements that run in the local newspaper. Additionally, Chairman, Eddie Dean apologized on behalf of

the Board for any confusion, but expressed there is nothing the Board can do to prevent errors that are printed.

Chairman, Eddie Dean opened the floor for comments.

Bill Campbell of Graves Mill was present and briefly verbalized some problems he foresees with revenue in the following areas:

- a) building permit fees;
- b) utility taxes;
- c) public service items;

and he feels there is a shortfall in certain budgetary categories – expressed concerns about “slush fund” (contingency) which is usually spend in getting projects completed (or something else); also expressed concerns about projected salary increases (despite poor economic conditions) – feels a COLA (cost of living allocation) should be allowed and be the same for all County employees (regardless of length of service or duties performed). In closing, he feels that some of the increases are a result of employees doing different duties – feels this is a “new job” and should be advertised; he also commented on the new ball fields – condition needs to be improved (growth of grass) before any playing can be done at the site – no significant parking at the site and doesn’t view this as a profitable gain. Last, he touched on the cost of County stickers and the method of payment collection currently in place at the Madison Transfer Station. .

David Samm of Germanna Community College was present and thanked the Board for its ongoing support of the college (i.e. operational funds) in order to better serve the residents of Madison County; the facility served 161 Madisonians during the year (a 30% increase from the previous year) who took at least one (1) credit class – the school is currently expanding offerings at the Culpeper Technology Center.

Claudia Vento of the Rappahannock-Rapidan Medical Reserve Corps was present and thanked the Madison County Board of Supervisors for their support for the corps in the upcoming budget; provided an overview of the services provided by the corps which covers the five (5) Counties of the PD-9 region.

Chris Norr of Aging Together was present and thanked the Madison County Board of Supervisors for their continued support; also thanked Lisa Kelley, County Administrator, for her participation in the seminar on Aging Together that took

place a few weeks ago; also provided an overview of how funds are utilized by the organization and provided information regarding grant funding that has been awarded.

Donald Self of Madison County has resided in the County for the past ten (10) years – relocated because of the low tax rate; taxes have tripled since he relocated here and feels he has been penalized as his taxes have been assessed at a greatly increased value; also commented on an incident that occurred in Orange County (while he resided there) that resulted because of a revenue shortfall and businesses were greatly affected and encouraged the Board do whatever it's going to do for the common good for all the citizens of Madison County and not just a select few. Also, he spoke on the condition of the ball fields, but feels "instead of focusing on balls, the County needs to focus on books" that will help the students excel after graduation. He feels that a petition needs to be initiated in Madison County that states whatever a potential owner pays for a property (regardless of improvements made) the taxes should remain the same until you sell the property and that will be an incentive for people to move into the County.

Jeff Farry was present and agreed with previous comments made about the following:

- a) Purchase of books;
- b) Clore Property (aka: Hoover Ridge);
- c) Nature Trail (at Hoover Ridge);
- d) School budget;
- e) Quality of teachers;
- f) Raises given to all (teachers/County employees) or none ;
- g) Escalating gas prices and the effects on all citizens (including farmers);
- h) Parking site for commuters will be welcomed;
- i) Heavy taxes will result in poor quality of teachers, no farms and vacant house sites

Pete Elliott was present and commented on the following

- a) School budget;
- b) Absence of this year's summer school program;
- c) Additional funding provided for Main Street Project and the fact the project is out of compliance;

- d) Ball fields are needed by the kids, but condition of the site needs work;
- e) Feels “slush fund” (contingency) is usually spent on something – feels sustaining reserve spending isn’t something he’s in agreement with.

George Beker was present and advised that he admired the Board despite the pressures in place during the past six (6) months despite requirements to fund a lot of hopes/wishes for the budget and commented on the following:

- a) Ball fields and that any funding put aside for this purpose shouldn’t be spent for about (2) years or so;
- b) Feels the contingency fund should be done away with for the moment (these funds tends to be developed in businesses and put aside during times of “extra”); and encouraged the Board to spend the next year reviewing what can be done to cut current costs handed down to the citizens. He stated there are resident’s who are going to be hit with a substantial tax increase which will result in several home foreclosures, families moving, bankruptcy cases, individuals drawing on social services, and this results in a situation that never ends very well.

Jacqueline Mow, President of the Madison Free Clinic, was present and thanked the Board for the continued support; the clinic served 215 citizens (medical/dental) who would have otherwise, “fallen through the cracks” if it hadn’t been for the assistance the clinic received (medical/dental) – these folks would’ve fallen through a health care crack if it hadn’t been for the assistance the clinic received.

Dawn Parris of Brightwood was present and commented on the concerns verbalized at tonight’s meeting; stated she greatly appreciated the teachers of her (2) grandchildren who are enrolled in the local school system; however, she questioned whether the upper level of school system employees are being paid too much, and also how a tax increase will effect the low-income citizens of Madison County. In closing, she has been heavily involved with the Habitat for Humanity and knows there are citizens who cannot afford their current places of residence – it’s hard to say what will happen if there is a tax rate increase - citizens will not be able to afford the basic needs.

Frank Steadman was present and advised he has had the responsibility of budgetary preparations (Republican Party) for the past ten (10) years and fully understands the problems the Madison County Board of Supervisors is faced with;

additionally, he shared techniques that he used when preparing the budget and stressed the need to take a very hard look at the budget and some things will just need to be cut because “we just don’t have the money.”

Ralph Nicholson was present and stated he was in agreement with much of what he heard about the County’s proposed budget and also commented on the following:

- 1) Taxes seem to continue to increase in Madison County;
- 2) Everything falls on the backs of the property owners;
- 3) County is part of PD9 and used to be one of the lowest per capita for median income Counties;
- 4) Feels that \$18 million is enough to fund the school system;
- 5) Escalating gas prices;
- 6) Disagreement with the recent reassessment that took place;
- 7) Many lifelong citizens can’t afford their property taxes (i.e. low income households)

James L. Arrington publicly announced that he will not be voting to adopt the proposed 2008-2009 County Budget or on the proposed increase in the tax rate; he feels the Board hasn’t done what it should/needs to do to get spending under better control. Additionally, he feels the Board has done some good things for which he agrees:

- 1) The School System has been informed they will need to “tighten their belts” and operate with the same amount of funding they received during the last year;
- 2) The Madison County Sheriff’s Department has been told the Board cannot afford to fund the salary adjustment for his deputies;
- 3) The Constitutional offices and other supporting agencies that they will be funded up to the level of last years spending;

however, he feels the proposed budget includes huge windfall raises for top County employees (some exceeding thirty percent [30%]) on top of the 2.5% cost of living adjustment that is proposed for all County employees; he stated there are substantial increases for all clerical employees simply because they all had to learn additional computer skills, which is necessary for them to perform their jobs; the County is proposing to purchase new vehicles to replace the older vehicles, yet there are plans to reassign the older vehicles and keep them in the fleet which doesn’t make any sense and

is unnecessary spending. Additionally, there is over \$100,000.00 tucked into the budget for Hoover Ridge which he feels only creates spending that doesn't have to be implemented during this year when funding is very tight and can be delayed. In closing, if each of these line items is researched on a separate basis, neither will make a huge significance if eliminated or create a huge deficit, but he feels for the County to spend lavishly on employee raises, vehicle purchases, etc., and all the while asking other departments to "hold the line on spending" is not only hypocritical but counter-productive.

James L. Arrington stated the proposed tax increase that is fueled by the lavish spending that is being proposed will mean that some of the citizens will have to choose between paying their taxes and purchasing essentials which have also increased significantly. Additionally, he advised these proposed increases are going to hit the older citizens and the less fortunate, as well as the wealthier citizens because of the land use situation. In closing, he stated the Board needs to do better.

With no further comments, Chairman, Eddie Dean closed the Public Hearing on the 2008-2009 County Budget.

Chairman, Eddie Dean then called for a brief recess until 7:30 p.m.

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Chairman, Eddie Dean reconvened the meeting.

Chairman, Eddie Dean reiterated that tonight's session is being held to discuss the tax rate and there will be no action – a decision will be made on Thursday, June 26, 2008 at 2:00 p.m., as there must be seven (7) calendar days between the Public Hearing and the actual vote on the 2008-2009 Budget and the Tax Rate.

Chairman, Eddie Dean explained the tax rates discussed at tonight's meeting will be effective for the tax year of January 1, 2008 and are as follows:

I. REAL ESTATE as defined by Section 58.1-300 of the Code of Virginia, 1950, as amended, including public service corporation real estate as defined by Section 58.1-2606 of the Code of Virginia, 1950, as amended, and manufactured homes as defined by Section 36-85.3 of the Code of Virginia, 1950, as amended: \$0.45 per \$100 of assessed valuation based on 100% of market value (subject to Madison County land use tax ordinance if applicable).

**Chairman, Eddie Dean reiterated that although the County is advertising .48 cents, this is basically a cap; the Budget that was balanced had a .45**

cents rate and it is anticipated that after continued discussion tonight, the County will be able to improve the rate of .45 cents, although it isn't anticipated the rate will be .40 cents, but in close proximity. Additionally, Chairman, Eddie Dean advised the real estate tax prior to this year was .59 cents and has remained the same for the past three (3) years.

II. TANGIBLE PERSONAL PROPERTY as defined by Section 58.1-3000 and classified by Section 58.1-3500 through 58.1-3503 of the Code of Virginia, 1950, as amended, including public service corporation tangible personal property as defined by Section 58.1-2606 of the Code of Virginia, 1950, as amended: \$2.80 per \$100 assessed valuation based on 100% of market value, subject to personal property tax relief for personal use vehicles; provided, however, the market value of farm machinery as classified in Section 58.1-3505(A) (8) and (10) shall be deemed to be \$0.00 after four (4) years of taxation by Madison County, Virginia.

Chairman, Eddie Dean stated the \$2.80 rate is an increase from \$2.14 (past [3] years) – the previous rate of \$2.14 was for vehicles based on average retail value; the \$2.80 rate is based on vehicle trade in value which is a decrease of about 30% in the value of a vehicle. Additionally, he stated the

III. MACHINERY AND TOOLS as defined by Section 58.1-3507 of the Code of Virginia, 1950, as amended: \$1.47 per \$100 of assessed valuation based on 100% of market value.

Chairman, Eddie Dean stated the precious value for machinery and tools was \$1.10 for the past three (3) years.

IV. MERCHANTS CAPITAL as defined by Section 58.1-3510 of the Code of Virginia, 1950, as amended: \$0.86 per \$100 of assessed valuation based on 100% of market value.

Chairman, Eddie Dean stated this rate has been the same since 1992 when it was fixed by the State Legislature.

Chairman, Eddie Dean stated the next topic of discussion is the Motor Vehicle License Tax denoted as follows:

Section 6. License Taxes – Amounts.

- (a) The annual license tax shall be Thirty Dollars (\$30.00) on each licensed motor vehicle. [an increase from \$25.00 each]
- (b) The annual license tax shall be Fifteen Dollars (\$15.00) on each licensed motorcycle and motor scooter. [an increase from \$10.00]

- (c) The annual license tax shall be Ten Dollars (\$10.00) on each licensed trailer or semi trailer. [an increase from \$7.00 which has been effect many years]

#### Section 6. License Taxes – Amounts.

- (d) The annual license tax shall be Thirty Dollars (\$30.00) on each licensed motor vehicle.
- (e) The annual license tax shall be Fifteen Dollars (\$15.00) on each licensed motorcycle and motor scooter.
- (f) The annual license tax shall be Ten Dollars (\$10.00) on each licensed trailer or semi trailer.

Chairman, Eddie Dean stated the County is planning to propose these fees be collected along with personal property taxes and will probably be prorated since it will be collected prior to the expiration of the new one. Additionally, Chairman, Eddie Dean stated the reason the County is planning to do away with County stickers is not solely for the increased cost of the stickers but the added expense of collection and people having to come into the office and/or mail the fees in every spring.

Chairman, Eddie Dean opened the floor for public comment and asked all speakers to be positive and hold comments to a five (5) minute limit.

Bill Campbell was present and advised that he recently served on the Board of Equalization and provided an overview of the reassessment and criteria involved in the process; he proceeded to explain the formula by which the equalized rate is determined and also touched on the tax rate for the Land Use Program and the benefits the program provides. In closing, he advised that all information he has provided is public record.

Jeff Farry was present and verbalized concerns about the Land Use Program and other County resources that are consumed (landfill, roads, etc.) and feels the farmers are not draining the use of the County's financial resources at the same rate as the smaller pieces of land. He also commented on the increased assessed values in land and the significant differences in the percentages; he feels the farming community needs to understand what their tax bill is and project these figures into their operational budget. In closing, he suggested if the tax rate increases, citizens should be allowed to incorporate



tax payments in two (2) installments rather than being hit with a chunk right before Christmas (December 5<sup>th</sup>).

Chairman, Eddie Dean stated the County is looking at biannual collection of taxes, although this technique will not be in place for this fall, but should be in place by the next year or so.

Christopher Martino was present and stated that he also served on the Madison County Board of Equalization. He verbalized concerns about the tax base and spending in Madison County and where the money is going. He commented on tax deferment due to land use asked for the total of last year's budget; furthermore, he commented of various tax percentages and feels the figures are alarming and how will citizens know there will not be another 10 to 15 percent spending increase during the next year. Comments also included the following:

- 1) Eighty percent (80%) of existing Madison County Board of Supervisors are privy to tax deferment;
- 2) Majority of citizens don't have tax deferment;
- 3) Board members in tax deferment are putting the burden on the backs of other people who don't have it"

In closing, he asked the Board to look at the responsibility of the spending as well as the dollar amount and also asked that in going forward, the County needs to take a serious look at bringing in businesses to Madison County that can increase the tax revenue and in the process, take the tax burden off the residents, but still give the citizens a place to spend their money. The County still has 80% of Madison tax dollars being spent outside of Madison County – government don't create money but get money from the people....there comes a time when the burden cannot be placed on the backs of the taxpayers and other areas of revenue need to be created – and businesses is the opportunity.

Pete Elliott was present and verbalized concerns as to how funds are being spent and advised that he was in favor of the land use program and that farmers need this program in order to keep Madison County rural – if the land use program is stripped from the farmers, the land will get developed; also verbalized concerns as follows:

- 1) "Hobby farming" in order to have one's land in the program to keep from paying taxes

isn't right;

- 2) Feels that a COLA (cost of living allocation) of 2.5% is sufficient;
- 3) Current salary increases are between 8% to 30%;
- 4) The position of Deputy Zoning Administrator (future position \$40,000.00 annually) isn't necessary for the current status in the County;
- 5) Concerns about Payroll (part-time) position;
- 6) Vehicles (additional ones aren't necessary)
- 7) County Planner (position isn't necessary)

In closing, he feels all the above items #4 through #7 aren't necessities at this time due to the existing recession, and after reviewing the budget, he has seen areas in which reductions can be made.

Donald Self was present and stated he agreed with comments made by Pete Elliott with regard to refraining from paying for new County positions, but instead find ways to cut expenses and not raise taxes. In closing, he suggested the Board find ways to cut spending – he also thanked the Board for their efforts.

George Beker was present and stated he determined the 2008-2009 Budget to represent a ten percent (10%) increase from the previous budget; he stated the single largest item is the Contingency Fund and feels if this funding is removed and reinstated until a later time, this will take about 20-25% the table.

Charlotte Scott was present and stated there is a petition with about 800 signatures of citizens who oppose the proposed tax rate and feels this says a lot for the citizens who have signed the petition; she stated when she met with the Board of Equalization and Assessors with regard to her land reassessment, she was informed the rate would not increase; therefore, she feels the signed petition makes a strong comment.

A comment was also made by a citizen who encouraged the Board to look at the salary and expense lapses; he urged the Board to actively manage those lapses and if funding will be pulled from specific agencies, a plan should be made as to how these funds will be expended or either place the funds into savings for application to future tax increases; additional concerns were verbalized about the bond that is proposed to “float” in the budget and the debt service.

Leri Thomas was present and commented on the land use program and the

reference to twenty-acre lots (i.e. there are plenty such lots in the middle of farms); she also advised that several “hobby farms” aren’t under ninety acres (several farms combine parcels); therefore, she recommended those who spoke on “hobby farming” to redefine the meaning. In closing, she advised it isn’t fair to assess taxes on a twenty acre home site that doesn’t include a house or no building permit has been applied for, or without notifying the property owner. She also verbalized concerns regarding the answer she received from the Commissioner of the Revenue and feels the answer was not substantial. She also verbalized the following concerns:

- 1) How much did it cost to employ the assessors:
- 2) What the classifications are for her property;
- 3) Would like straight answers when asking questions of County personnel.

She feels if County employees are acting on regulations, they need to be able to produce such information if asked; additionally, she commented on the recent schedule change for the Sanitarian at the Madison Health Department; and the proposed tax rate increase – feels the County should find areas in which a reduction can be made in order to lessen the hardship of an increased tax rate.

Pete Elliott provided some input on fees that are currently being charged in surrounding Counties (Orange and Rappahannock) and feels the fees for Madison County can be reduced to be more in line with the surrounding localities.

Anne Browning was present and referenced a former speaker about not getting a salary increase and having to adjust her level of spending; she feels there are some big salary increases in Madison County (i.e. overpaid positions) – since the School Board was told to “hold the line” then the County needs to also “hold the line” on salaries. In closing, she feels if an employee isn’t happy doing a certain job, there are several who would be happy to have the employment.

Chairman, Eddie Dean closed the Public Hearing.

Chairman, Eddie Dean thanked the citizens for attending tonight’s Public Hearing and for all comments that were made regarding the budget. In closing, he stated the Board will do its very best to keep all comments in mind in order to prepare a budget the entire County can live with.

With no further action be required on behalf of the Board, on motion of James L. Arrington, seconded by William L. Crigler, Chairman, Eddie Dean continued the meeting to Thursday, June 26, 2008 at 2:00 p.m. at the Thrift Road Complex., with the following vote recorded:

Eddie Dean	Aye
James L. Arrington	Aye
William L. Crigler	Aye
Bob Miller	Aye
Clark Powers	Aye

Date: June 11, 2008